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Real-world examples of Digital and AI transformations
and how leading companies succeed

Charles River Labs: Accelerating drug development as a digitally-enabled trusted partner

Accelerating drug development and gaining efficiencies with digital

Charles River Laboratories, a prominent pre-clinical contract research organization (CRO), plays a pivotal role in the drug development ecosystem. It conducts research, development, and safety testing before a life-saving drug ever gets to market. Partnering with pharma, biopharma, biotech, industry, and academia, Charles River contributes to over 85 percent of FDA-approved therapies, supporting companies in bringing novel treatments to market.[1]

The world has seen innovation and acceleration of therapies like the COVID-19 vaccines in ways that are extraordinary. Historically, these therapies took 5 to 10 years to develop.[2] Yet, during the COVID-19 pandemic, society united to achieve the same feat in just 9 months.[3] Charles River played a central role in this, which reinforced its aspirational goal: what if they were able to universally subtract a year or more out of the drug development process? What kind of scalability would that take? What kind of fundamental reimagining of processes would it take? To achieve its goals, Charles River embarked on a transformation into a digital enterprise, providing their pharmaceutical clients with expertise, seamless offerings, and digital delivery.

Becoming a digitally-enabled trusted partner, putting customers at the core to better serve patients

Charles River Labs set a goal to become a "digitally-enabled trusted partner" that integrates expertise, seamless offerings, and digital delivery to enable customers to accelerate the development of high-quality medicines for patients. To achieve this, they recognized the need to rethink their approach in three key areas: customer engagement, internal employee interactions, and their technology foundation.

With McKinsey's support, Charles River started with a Digital Diagnostic that was focused on understanding its starting point for how it engages with customers externally and what customers thought about that experience, internal operations required to deliver customer impact, and its capabilities on critical enablers of these processes – from technology to talent to data and beyond. Critical to this work was identifying the value at stake, uncovering customer pain points and unmet needs along the buying journey, and providing digital, design, engineering, and data capabilities. These inputs helped build the business case across multiple initiatives and prioritize where to start. Charles River completed this three-month diagnostic phase with a vision for a new digital enterprise and a minimal viable product (MVP) to deliver an online customer engagement and interaction platform.

The company spent the next three months mobilizing for the digital business build. The team prepared the technical foundations, user stories, and user-tested digital experience to be ready for the first sprint. To ensure they had the right set of capabilities going forward, the team set up an "agile talent win room" to quickly source new talent and upskill existing employees on agile methods, sprint cadence, and ceremonies, as well as the specifics of new roles such as product owner, product designer, and scrum master.

1.   "Biologics Testing Solutions." Charles River Labs.
2.   "Vaccine Research & Development." Johns Hopkins Coronavirus Resource Center.
3.   "FDA Approves First COVID-19 Vaccine." U.S. Food and Drug Administration, 2021.

The impact

6

Days marketing needs to turnaround a project, down from 28 days.

200

Employees and leaders trained in agile work methods in less than six months.

$100 million+

Annual run-rate impact identified over an initial three years.

3

Months to launch new digital products and services, down from 12 to 18.

"Adopting design thinking and becoming customer-centric is crucial for reimagination. We need to start with understanding how customers work with us, their environment, challenges, and successful interactions, and use that information to determine how best to reimagine the process to meet their needs while achieving our objectives."

– Mark Mintz, Corporate Senior Vice President & Chief Information Officer, Charles River Laboratories

"One thing the digital transformation has done for our employees at Charles River is to allow our employees to become innovators. They can recognize aspects that could be optimized, reconsidered from different perspectives, and gather feedback from each other to develop improved tools and processes that significantly impact our customers' experience positively."

– Pam Walker, Corporate Vice President & Global Head of Operations, Charles River Laboratories

"Adopting agile ways of working and design thinking changed the way that we think about technology, transforming us from long 12- to 18-month deliveries to short, frequent delivery that is regularly reviewed with customers so we can quickly pivot based on the value that we're creating."

– Mark Mintz, Corporate Senior Vice President & Chief Information Officer, Charles River Laboratories

From there, the "digital factory" was launched—the MVP was called "Apollo," representing an entirely new way of engaging digitally with customers and collaborating as an organization, all enabled by a new technical architecture, including a cloud environment and master data architecture stood up by the team.

Apollo provides customers the ability to track their projects in one place, and have access to near real-time data, so they know how each project is progressing. This platform has enabled Charles River to build a richer relationship with clients, becoming a true adviser and thought partner on their drug development journey.

In six short months, the team completed and launched the MVP. Apollo is now on a scale-up release phase, and in the spirit of lasting change, the company thinks of it as a "lifestyle rather than a diet." They continue to deploy the new agile methodology across the organization to solve problems in innovative ways.

It has been three years and Charles River is successfully scaling across the entire enterprise, including customer-facing interactions, e-commerce, employee collaboration, lab operations, and automation in finance. They have an at-scale digital factory and have expanded from 3 agile pods to more than 20 across multiple business units and functions, dramatically accelerating the speed of delivering new products and services. It also has a best-in-class customer enablement platform. And at Charles River, they remain customer-focused , using design thinking in each product and service launched to meet customer and employee needs. Ultimately, Charles River has successfully shifted from being a science organization to a science and technology organization and better able to support patients by accelerating drug development.

Lessons learned
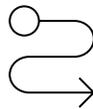
Strategic Roadmap

Set a North star with customers and patients at the center
Charles River found inspiration in other companies' transformations, using them as a North Star. Leveraging insights from diverse industries like banking and high tech, they set goals, developed a rapid roadmap, and kept customers' (and their patients') needs at the center to become a valuable partner, gaining a competitive edge.

Agile Operating Model

Creating an unrivaled experience for their digital talent
Charles River believed that providing a great experience for clients should also extend to employees, and so the company aimed to create an outstanding environment for digital, scientific, and business talent. The organization prioritized exceptional experience by hosting lively and enjoyable agile meetings, exploring innovative ways to collaborate virtually, and celebrating successes.

Talent

Build a digital-first mindset
To embrace a digital-first mindset, Charles River established a new digital organization with a product-centric agile model. A transformation office supported the shift to agile practices, while a "digital talent win room" facilitated recruitment of new expertise. The company also engaged their best business talent, adapting roles and establishing external partnerships where needed.